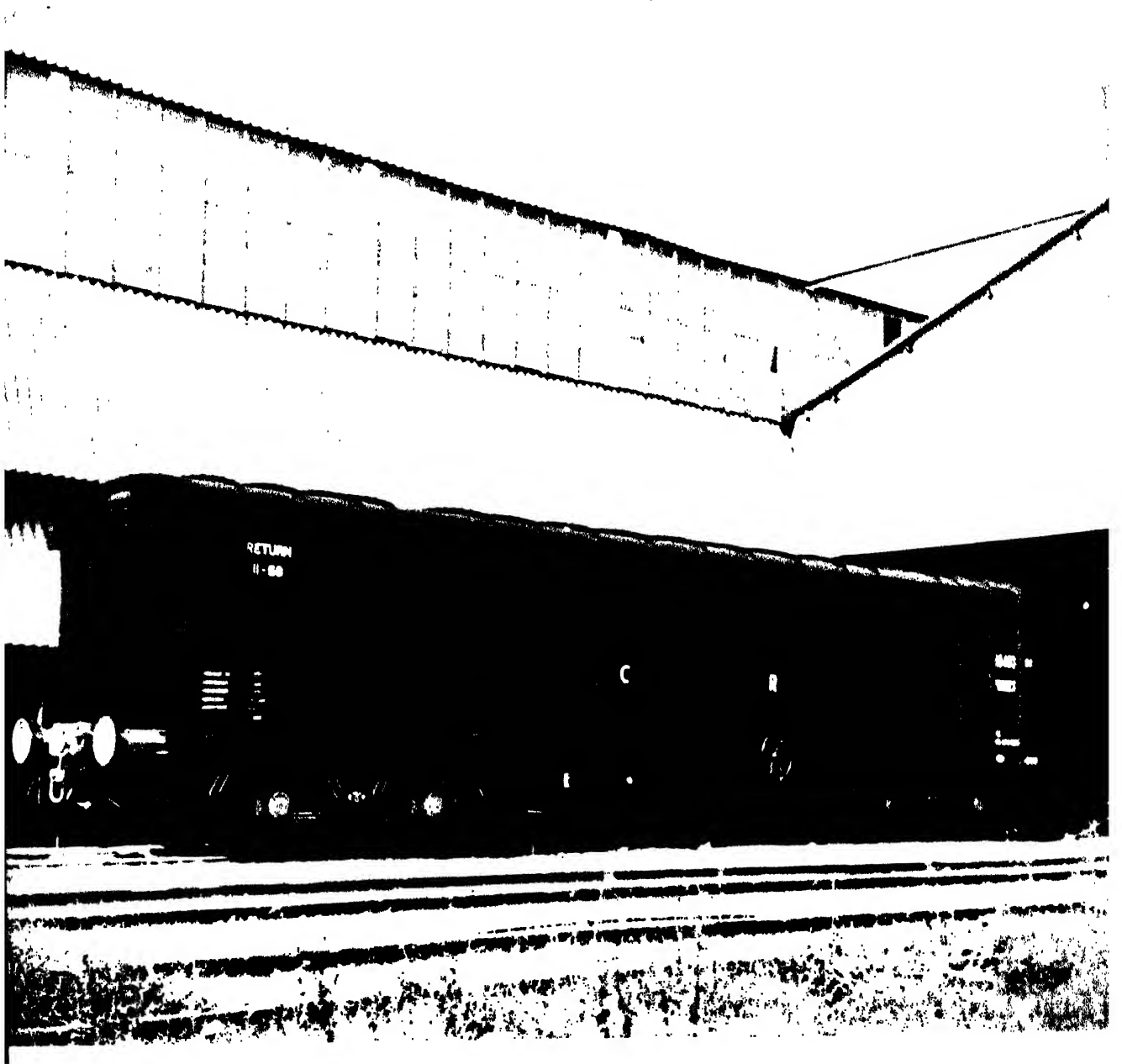
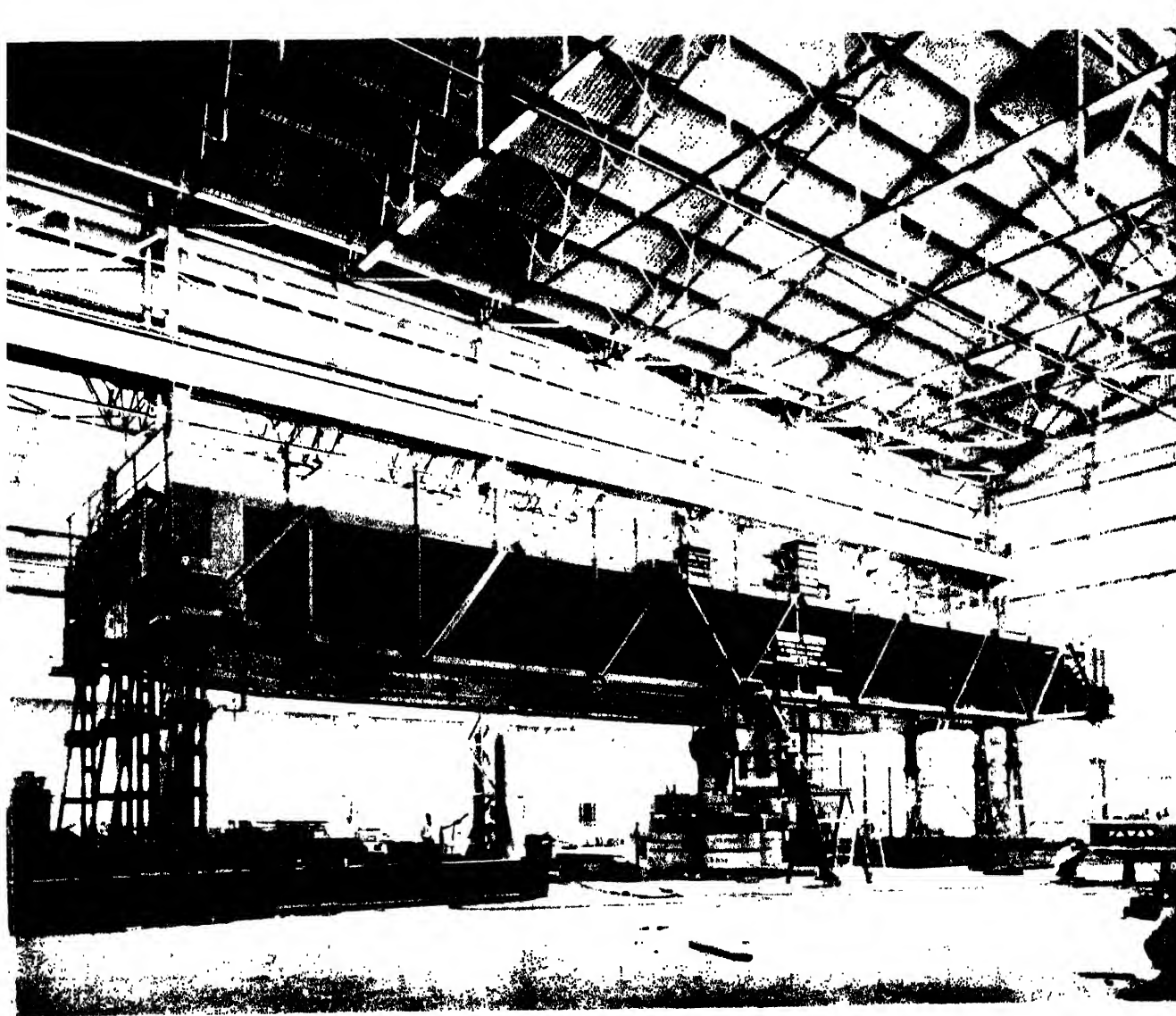


# **BRAITHWAITE & CO (INDIA) LIMITED**

**ANNUAL REPORT 1965**

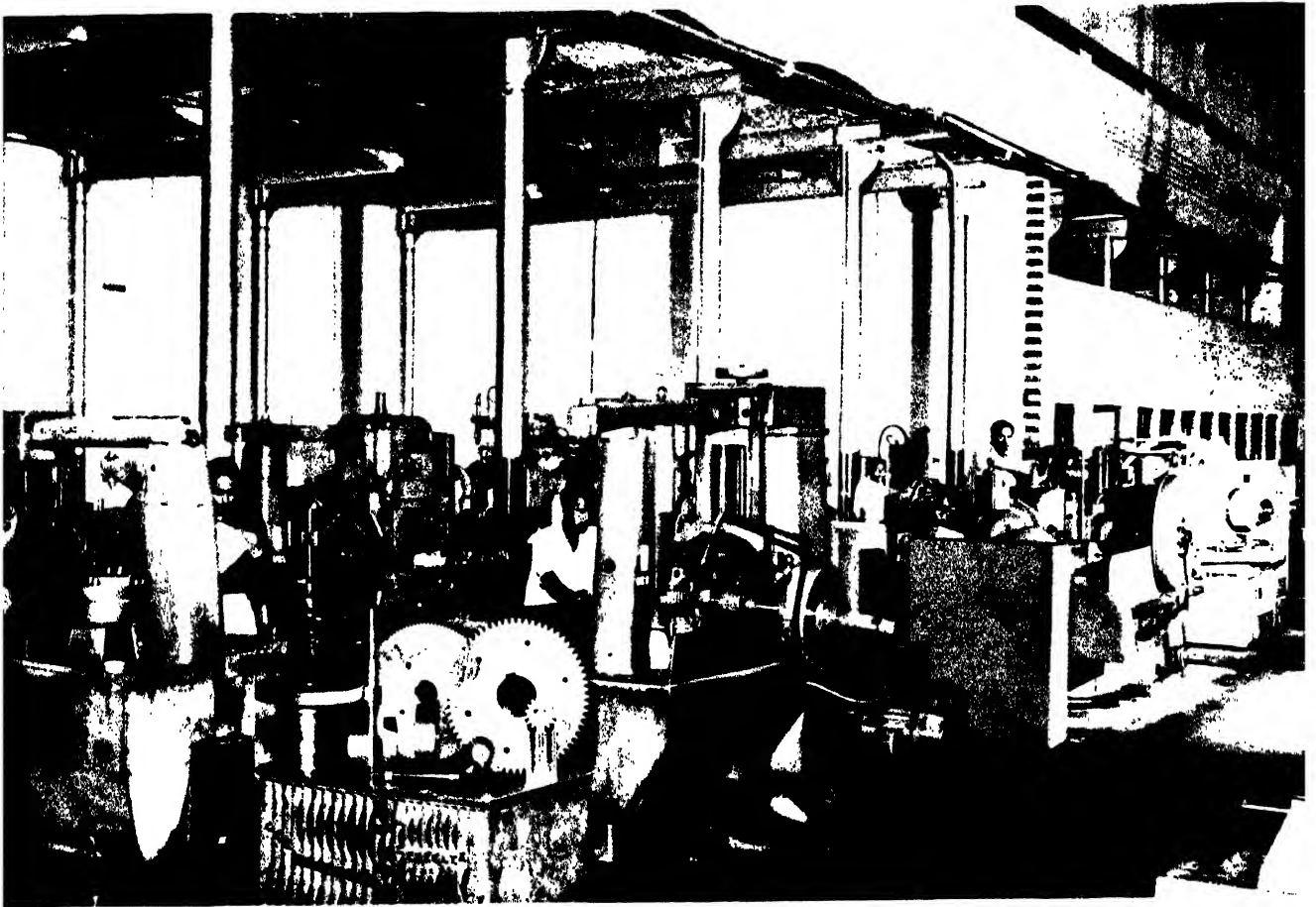


B. C. X. Bogie Covered Wagon



100 tonnes E.O.T. Crane (28.5 metre span), for Bharat Heavy Electricals Ltd

Braithwaite & Co (India) Limited



Machine Shop Gear Cutting Section

## **Braithwaite & Co (India) Limited**

<b>CHAIRMAN</b>	John Valentine Jardine Paterson
<b>DIRECTORS</b>	Maharajadhiraja Sir Uday Chand Mahatab Bahadur of Burdwan, K.C.I.E. Sir Asoka Kumar Roy Robert George Edwards Donald Fordwood, M.B.E. Barendra Prasad Ray
<b>SECRETARY</b>	Banwari Lal Mathur
<b>BANKERS</b>	National and Grindlays Bank Limited (Lloyds Branch)
<b>SOLICITORS</b>	Orr, Dignam & Company
<b>AUDITORS</b>	A. F. Ferguson & Company
<b>LONDON AGENTS AND TECHNICAL CONSULTANTS</b>	Braithwaite & Co. Engineers Limited Dorland House, London, S.W.1
<b>REGISTRARS AND SHARE TRANSFER AGENTS</b>	Jardine Henderson, Limited
<b>REGISTERED OFFICE</b>	4, Clive Row, Calcutta-1
<b>HEAD OFFICE</b>	Hide Road, Calcutta-43
<b>WORKS</b>	Clive Works, Hide Road, Calcutta-43 Angus Works, Angus, Dist. Hooghly

## **Braithwaite & Co (India) Limited**

### **NOTICE**

NOTICE is hereby given that the thirty-sixth Annual General Meeting of the members of Braithwaite & Co (India) Limited will be held at the Registered Office, 4, Clive Row, Calcutta-1, on Tuesday, the 28th day of June, 1966 at 10.30 a.m. to transact the following business :—

- 1 'To receive and adopt the Directors' Report and the Audited Accounts for the year ended 31st December, 1965.
- 2 'To confirm the interim dividends paid on the Preference Shares and to declare a dividend on the Ordinary Shares.
- 3 'To elect Directors in place of those retiring.
- 4 'To appoint Auditors and to fix their remuneration.

#### **As Special Business**

To consider and, if thought fit, to pass, with or without modification, the following resolutions : -

- 5 (As an Ordinary Resolution)

“That Mr. John Ellis Sawtell be appointed a Director of the Company with effect from 1st July, 1966 or from the first day of the month following the month in which the terms and conditions of his appointment as the Managing Director of the Company are approved by the Central Government and agreed to by the Board of Directors of the Company and the said Mr. John Ellis Sawtell, whichever is the later.”

(Pursuant to Section 257 of the Companies Act, 1956 the Company has received a Notice from a member of his intention to propose the above resolution at the Meeting and pursuant to Section 264(1) of the Act, Mr. John Ellis Sawtell has filed his consent to act as such Director, if appointed.)

- 6 (As an Ordinary Resolution)

“That, subject to the approval of the Central Government, this meeting approves the appointment of Mr. John Ellis Sawtell as the Managing Director of the Company as recommended by the Board of Directors on the terms and conditions set out in the draft Agreement (a copy whereof has been submitted to this meeting and which for the purposes of identification has been signed by the Chairman thereof) to be entered into between the Company of the one part and Mr. John Ellis Sawtell of the other part (such appointment to be effective for a period of three years from 1st July, 1966, or from the first day of the month following the month in which the terms and conditions of his appointment are approved by the Central Government and agreed to by the Board of Directors of the Company and the said Mr. John Ellis Sawtell, whichever is the later) and that the Board of Directors of the Company be and is hereby authorised to execute the said Agreement on behalf of the Company under its Common Seal on the same terms and conditions or with such modifications (not being

## **Braithwaite & Co (India) Limited**

modifications more advantageous to Mr. John Ellis Sawtell) as may be required by the Central Government and agreed to by the Board of Directors of the Company and the said Mr. John Ellis Sawtell."

### **7 (As an Ordinary Resolution)**

"That, pursuant to the provisions of Section 294 of the Companies Act, 1956, this meeting approves the re-appointment of Binny & Co. Limited, as the Company's sole selling agent for the Braithwaite Pressed Steel Tanks in the States of Andhra, Mysore and Madras (excluding the districts of Nilgiris, Coimbatore, Tirunelveli, Madurai and Ramnad) for a period of one year with effect from 1st April, 1966 on the terms and conditions set out in the draft Agreement (a copy whereof has been submitted to this meeting and which for the purposes of identification has been signed by the Chairman thereof) to be entered into between the Company of the one part and Binny & Co. Limited of the other part and that the Board of Directors of the Company be and is hereby authorised to execute the said Agreement on behalf of the Company under its Common Seal on the same terms and conditions or with such modifications (not being modifications more advantageous to Binny & Co. Limited) as may be mutually agreed to by the Board of Directors of the Company and the said Binny & Co. Limited."

The Register of Members in respect of the Ordinary Shares of the Company will be closed from the 14th June, 1966 to the 28th June, 1966, both days inclusive.

A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member.

Payment of such dividend as may be declared on the Ordinary Shares will be made on or after 5th July, 1966, to those members whose names are on the Company's Register on the 28th June, 1966.

By Order of the Board

B. L. MATHUR  
*Secretary*

4, CLIVE ROW  
CALCUTTA-1  
12th May, 1966

## **Braithwaite & Co (India) Limited**

### **ANNEXURE TO THE NOTICE CONVENING THE THIRTY-SIXTH ANNUAL GENERAL MEETING OF THE COMPANY TO BE HELD ON TUESDAY, THE 28TH JUNE, 1966**

#### *Explanatory Statement relating to Special Business*

#### **Resolutions No. 5 and 6 :**

These resolutions, which will be proposed as ordinary resolutions, seek to appoint Mr. John Ellis Sawtell as a Director and as the Managing Director of the Company and to adopt the draft agreement relating to his appointment as the Managing Director, subject to the approval of the Central Government.

The Company has for many years been managed by a Managing Director, subject to the superintendence, control and direction of the Board of Directors. The last Managing Director, Mr. John England Bingham, retired on 30th June, 1965, after serving the Company in that capacity for 9 years.

On a review of the managerial requirements of the Company, in view of the very considerable expansion of its activities, its plans for further diversification and the importance of ensuring a steady flow of finance to meet the need of a growing Company and to ensure the continuity of management for the future, your Board of Directors thought it most appropriate to appoint Jardine Henderson, Limited as the Secretaries and Treasurers of the Company for a period of 5 years with effect from 1st July, 1965. The proposal was approved by the Company in the annual general meeting held on 10th June, 1965, but the Company Law Board, Government of India regretted its inability to approve the appointment and advised that the Company should continue to work with a form of management other than that of a Managing Agent or Secretaries and Treasurers, as hitherto. As a result of the refusal of the Company Law Board to approve the proposed appointment the management of the Company had remained with the Board of Directors since retirement of Mr. J. E. Bingham on 30th June, 1965.

The present arrangement entails considerable work by certain of the Directors. Your Board of Directors considers that in view of Government's decision regarding Secretaries and Treasurers, this can only be relieved by the appointment of a Managing Director, and having regard to the increasing difficulties being experienced in managing the day to day affairs of the Company of this size the Board has recommended that Mr. J. E. Sawtell be appointed as the Managing Director of the Company subject to the approval of the Central Government.

Mr. J. E. Sawtell who has been in the service of this Company for over 10 years, has, in his capacity as the Chief Engineer of the Company and the General Manager of Clive Works, acquired intimate knowledge of the Company's financial and administrative affairs besides his engineering and technical knowledge and experience. He has also given valuable technical advice and guidance in developing the Company's Angus Works. Your Board of Directors considers Mr. J. E. Sawtell as the most fit and proper person to be appointed as the Managing Director of the Company.

## Braithwaite & Co (India) Limited

The terms and conditions (including remuneration) of Mr. Sawtell's appointment have been embodied in a draft agreement and Mr. Sawtell has agreed to accept such appointment.

Necessary application for approval of the Central Government has already been made.

The remuneration payable to the Directors of a Company including the whole-time and Managing Directors, is required to be approved by the Company in general meeting pursuant to the provisions of Section 309 of the Companies Act, 1956, unless such remuneration has been fixed by the Company's Articles of Association.

The following abstract of the draft agreement is commended to the consideration of the members of the Company :—

- (1) **Period :** 3 years from 1st July, 1966, or from the first day of the month following the month in which the terms and conditions of his appointment as the Managing Director are approved by the Central Government and agreed to by the Board of Directors and Mr. J. E. Sawtell, whichever is the later.
- (2) **Remuneration and Perquisites :**
  - (a) Salary — Rs. 10,000 per mensem.
  - (b) Commission at the rate of three fourth of one per centum of the net annual profits of the Company computed in the manner referred to in Section 198(1) of the Companies Act, 1956.
  - (c) The remuneration by way of salary and commission will not exceed Rs. 2,25,000 per annum.
  - (d) Free furnished accommodation ; the Company also paying the expenses incurred in providing gas, fuel, electricity and the usual domestic and personal servants.
  - (e) Free use and maintenance of an office car with driver.
  - (f) Free medical and nursing home treatment in respect of himself, his wife and minor children.
  - (g) Benefits of membership of the Company's Covenanted Staff Provident Fund.
  - (h) Benefits of membership of the Company's Covenanted Staff Superannuation Fund.
  - (i) Benefits of Gratuity under the Gratuity Scheme maintained by the Company.
- (3) **Leave :** He would be entitled to two months' leave from India during each year of service and would be entitled to free first class passages for himself and his wife when proceeding on leave or returning therefrom and in accordance with the Company's Overseas Covenanted Staff leave rules, the Company will also provide free Economy Class air passage to his dependant children being educated in England for visiting India once per calendar year.

## **Braithwaite & Co (India) Limited**

- (4) **Duties :** Save as otherwise provided in the draft agreement it has been stipulated that Mr. Sawtell as the Managing Director shall perform the duties and exercise powers which from time to time may be assigned or vested in him by the Board of Directors of the Company and shall devote the whole of his time and attention to such service.
- (5) **Other conditions :** Other terms and conditions of the agreement are such as are customarily contained in agreements of this nature.

In view of the wide and various responsibilities which Mr. Sawtell will be called upon to bear having regard to the needs of an expanding Company, your Board of Directors considers that the remuneration proposed to be paid to him, is commensurate with the nature of the service required to be rendered by Mr. Sawtell and therefore, recommends that the same be approved by the Company in the general meeting.

The Central Government in giving its approval to the proposed appointment of the Managing Director may require modification of the terms of the draft agreement and the proposed resolution No. 6 stipulates that such modifications (not being modifications more advantageous to Mr. Sawtell) may be incorporated in the final agreement provided such modifications are agreed to by the Board and Mr. Sawtell. The formal appointment of Mr. Sawtell as the Managing Director of the Company will be made by the Board thereafter.

The draft agreement referred to in the resolution No. 6 will be available at the Registered Office of the Company for inspection by the members between the hours of 11 a.m. and 3 p.m. on any working day except Saturday and will also be available for inspection at the Annual General Meeting.

Mr. J. E. Sawtell is interested in the proposed appointment as Director and Managing Director of the Company in the manner and to the extent indicated above. No Director of the Company is interested in the resolutions.

### **Resolution No. 7 :**

This resolution, which will be proposed as an ordinary resolution, seeks to re-appoint Binny & Co. Limited as the Company's sole selling agent for the Braithwaite Pressed Steel Tanks in the States of Andhra, Mysore and Madras (excluding the districts of Nilgiris, Coimbatore, Tirunelveli, Madurai and Ramnad) (hereinafter referred to as "the territory").

The Board of Directors has decided to re-appoint Binny & Co. Limited as the sole selling agent for the Braithwaite Pressed Steel Tanks in the territory for a period of one year from 1st April, 1966 on the terms and conditions set out in a draft Agreement with such modifications (not being modifications more advantageous to Binny & Co. Limited) as may be mutually agreed to by the Board and Binny & Co. Limited.

The principal terms and conditions of the said draft agreement are as follows :—

- (i) The term of appointment is for one year with effect from 1st April, 1966 unless it is determined earlier by either party upon giving to the other one calendar month's previous notice in writing.

## Braithwaite & Co (India) Limited

(ii) The Agent shall be entitled to a remuneration for the services to be rendered by it under the agreement at the following rates :—

- (a) Commission at the rate of 5% on the F.O.R. Calcutta price on all sales of the Tanks effected pursuant to orders secured by the Agent direct irrespective of whether the despatches are made to the territory or to any other place in India provided always that no commission shall be payable or become due to the Agent unless and until the price in full of each Tank sold by the Agent is paid to the Company at Calcutta within 60 days of the despatch of the Tank from the Company's Works at Kidderpore or within such extended time as the Company may in its absolute discretion allow.
- (b) Commission at the rate of  $2\frac{1}{2}\%$  on the F.O.R. Calcutta price on all direct sales of the Tanks effected by the Company in the territory, such commission being payable after the receipt of the purchase price by the Company.
- (c) Commission at the rate of  $2\frac{1}{2}\%$  on the F.O.R. Calcutta price of all the Tanks sold against Running Contracts placed by the Director General of Supplies and Disposals, Government of India, New Delhi, on the Company if despatches are made to the territory.

(iii) The Agent shall not assign its rights or benefits under the agreement without the previous consent in writing of the Company.

The other terms and conditions of the said draft agreement are similar to those contained in an agreement of this nature.

The appointment of a sole selling agent of a Company is required to be approved by the Company in general meeting pursuant to the provisions of Section 294 of the Companies Act, 1956.

Binny & Co. Limited has been acting as the Company's Agent in the territory for more than 20 years and has given a satisfactory account of itself. Having regard to its wide experience the Board of Directors of your Company considers that they should be re-appointed. The Board of Directors, therefore, recommends that the re-appointment of Binny & Co. Limited as the Company's sole selling agent in the territory be approved by the Company in general meeting.

The draft agreement referred to in the resolution will be available at the Registered Office of the Company for inspection by the members between the hours of 11 a.m. and 3 p.m. on any working day except Saturday and will also be available for inspection at the Annual General Meeting.

None of the Directors of the Company is interested in the resolution.

By Order of the Board

B. L. MATHUR  
Secretary

4, CLIVE ROW  
CALCUTTA-1  
12th May, 1966

**STATEMENT BY MR. J. V. JARDINE PATERSON**

*To the Thirty-sixth Annual General Meeting of Members  
to be held on 28th June, 1966*

**PRODUCTION AND DEVELOPMENT**

**CLIVE WORKS :** Once again I am pleased to be able to report that production during the year has shown an increase and for the first time in the Company's history the total tonnage produced at these Works has exceeded 40,000 tonnes. This increase has been achieved in spite of labour unrest during nearly half of the year to which I shall refer later in this Statement and which was responsible for a considerable loss of production particularly in the Wagon Shop. It is also worthy of note that the Structural Shops were able to produce an average of 1,625 tonnes per month which represents an increase of approximately 15% over the production in the previous year.

The expansion and modernisation carried out in recent years in the Wagon Shop made it possible to continue production of BOX and TPR Wagons at a high level and at the same time to make concentrated efforts to produce the BCX Wagon. This is a new type of covered bogie goods wagon which is urgently required by the Railway Board and I am pleased to be able to report that the prototype was completed in December. Unfortunately, at the same time supplies of roller bearing wheel sets by the Railway Board were restricted. This restriction affected not only delivery of BOX Wagons but also held up the bulk production of BCX Wagons that had been planned.

In May it was possible to remove one cause of discontent among labour as with the improved power supply position, the weekly off-day reverted to Sunday. It is encouraging that power supplies have now gone up and exceed demand in the State so that when orders are received and raw materials are again freely available there should be no difficulties in this respect.

**ANGUS WORKS :** The year was one of further growth and consolidation and the value of production rose by approximately 22% to Rs. 158 lakhs. Manufacture of EOT Cranes continued to make good progress and our 100th Crane was completed in December. This event was shortly followed during the current financial year by the completion of our first 100-tonne Crane.

Items of imported equipment continued to be received and installed during the year and the Machine Shops are now equipped to undertake a wide variety of intricate work. Buildings have been extended in order to facilitate the flow of material and particularly the Fabrication Section of EOT Cranes and it is hoped that a new railway line can be laid during the current year to facilitate despatch of completed cranes.

**PROSPECTS**

In my Statement last year I referred to the concern being felt regarding the Order Book for Structural Steel work in 1966. Unfortunately, events during 1965 with which we are all familiar, frustrated the anticipated expansion of industry which it has been hoped would allay our fears. It seems, therefore, inevitable that there must be a slowing down during this year as it is now too late for the orders which we may reasonably expect to receive in connection with projects included in the Fourth Five Year Plan to be received and put into the Works. In addition to this lack of Structural

## **Braithwaite & Co (India) Limited**

orders there has been a sudden and unexpected reduction in demand for Railway Wagons. The Railway Board announced that it was their intention not to place any orders for Wagons against their 1966/67 programme and have instructed all suppliers to extend their existing orders over a longer period. This instruction has the effect of imposing a cut during this year equivalent to 35% of last year's production and will have a very severe effect on this Company's results. I cannot help expressing our disappointment at the manner in which this cut has been imposed, particularly having regard to the encouragement given to Wagon builders in recent years to expand their production. It is particularly unfortunate that the Railway Maintenance Workshops which had commenced manufacture of Wagons during the time of shortage have been treated in the same way as genuine Wagon builders rather than being obliged to return to their primary activity.

At our Angus Works production and sales continue to improve and the order book now includes such items as Wharf Cranes for Kerala and Cast Iron Ingot Moulds for the Alloy Steel Plant at Durgapur. It has unfortunately not yet been possible to reach agreement with Government regarding the issue of an industrial licence to enable us to manufacture certain machine tools. As it would be possible for us to start such manufacture in a comparatively short space of time and with the installation of only a small quantity balancing equipment, I am hopeful that Government will approve our project even though this may conflict with the plans of a Public Sector unit for production of similar machine tools at some distant future date.

### **EXPORTS**

With the assistance of our Technical Consultants in the United Kingdom it has been possible for us to continue to make some sales of Pressed Steel Tanks in Export markets. We are also endeavouring to promote the export of our other products, namely, Railway Wagons, Structural Steel work, EOT Cranes, castings and forgings. With adequate assistance from Government by way of drawbacks and export credits, I am confident that we shall meet with some success.

### **FINANCE**

Negotiations with our Bankers were satisfactorily concluded during the year resulting in increased overdraft facilities being made available to the Company. This extra finance was fully utilised in maintaining the increased rate of production in both Works. The slackening of demand at Clive Works to which I have referred will result in reduced receipts during the coming months without compensating reductions in expenditure. The Company's financial position, therefore, continues to be difficult and the Board have decided to raise a Debenture Loan of Rs. 1 crore to assist in completing the development programme. Details of the temporary loans which it was necessary to take during the year are given in the Directors' Report and will illustrate to you the difficulties which we have been experiencing.

### **PROFIT, TAXATION AND DIVIDEND**

While the gross profit for the year has increased by Rs. 8.25 lakhs over the previous year, the necessity to increase the provision for depreciation and development rebate by over Rs. 11 lakhs has resulted in a reduced profit before taxation. In spite of the surcharge on Income Tax proposed in the 1966 Budget therefore, the Income Tax to be provided in these accounts remains approximately the same as for last year. The incidence of Surtax shows a welcome decrease but the over-all incidence of taxation remains at the high level of 61%.

Having regard to the unfavourable prospects for the current year and the necessity to conserve our financial resources, the Board have decided to recommend the same Ordinary dividend as for the

## **Braithwaite & Co (India) Limited**

previous year, namely 20%, but have at the same time transferred the sum of Rs. 5 lakhs to a Dividend Equalisation Reserve in addition to the transfers to Loan Redemption and General Reserves. The dividend on the Preference shares has been paid in two instalments on 8th July, 1965 and 7th January, 1966.

### **LABOUR**

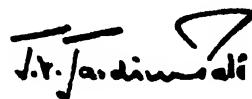
I have already referred to the unrest which persisted for a large period of the year. This was mainly concentrated at Clive Works where there was a "go-slow" by a section of the labour in the Wagon Shop during a period from April to June. In the period September to November there was serious agitation regarding the implementation of the 1965 Bonus Act, as labour were dissatisfied with the payment that was offered in accordance with this Act. After many months of negotiation with the Labour Union, payment of Bonus as originally offered was finally accepted. It is to be hoped that what had become a cause of annual discontent will now be removed by compliance of both employers and employees with the provisions of the Law.

Negotiations have also been concluded with the Union resulting in new long term Production Bonus Agreements which it is hoped will further improve productivity at both Works. I am however afraid that the shortage of orders to which I have already referred may seriously affect the employment position.

### **MANAGEMENT**

At the Annual General Meeting last year Resolutions were passed approving the appointment of Jardine Henderson, Limited as Secretaries and Treasurers of the Company for a period of five years. This appointment was, however, subject to the approval of the Government of India and I am sorry to tell you that Government was unwilling to give this. It has, therefore, been necessary for the management of the Company to be carried on by the Board of Directors. This has resulted in certain of the Directors having to undertake more than the normal responsibilities required of them and in order to alleviate this, it has been decided to proceed again with the appointment of Mr. J. E. Sawtell as Managing Director. The necessary Resolutions are, therefore, being placed before shareholders for their approval.

We are indebted to all members of the staff for the part they have played in achieving the satisfactory results now before you. I will conclude, therefore, by expressing to them our appreciation of their efforts on behalf of the Company both in the past year and in the difficult times through which we are now passing.



CALCUTTA  
19th April, 1966

**REPORT OF THE DIRECTORS**

*To be presented at the Thirty-sixth Annual*

*General Meeting of the Company*

The Directors submit their Report with the Audited Accounts for the year ended 31st December, 1965.

The Profit for the year after charging all working expenses

amounted to ... Rs. 1,83,74,613

From which have to be deducted —

Provision for Depreciation Rs. 26,01,305

Provision for Development Rebate Rs. 9,75,085 Rs. 35,76,390

Profit before taxes Rs. 1,47,98,223

*Less :* Provisions for Taxation

Income Tax Rs. 78,10,000

Surtax Rs. 11,50,000 Rs. 89,60,000

Net Profit for the year Rs. 58,38,223

This has been appropriated as under : —

Transfer to General Reserve ... Rs. 14,78,223

Transfer to Dividend Equalisation Reserve ... Rs. 5,00,000

Transfer to Loan Redemption Reserve ... Rs. 15,00,000

Payment on 8th July, 1965 and 7th January, 1966 of interim divi-

dends in respect of Preference Shares ... Rs. 3,60,000 Rs. 38,38,223

leaving a balance available for disposal of Rs. 20,00,000

The Directors recommend payment of a dividend on the Ordinary

Shares at Rs. 2.00 per share subject to appropriate deduction

of tax, absorbing ... Rs. 20,00,000

## **Braithwaite & Co (India) Limited**

### **FINANCE**

A second term loan of Rs. 25 lakhs was secured during the year at the same time as increased overdraft facilities were negotiated with our Bankers. This facilitated the repayment of the temporary unsecured loan of Rs. 20 lakhs referred to in our last report.

Labour unrest and shortage of raw materials both contributed to a fall in revenue whereas expenditure on our expansion programme continued and, in the case of imported machinery, increased with the enhancement of import duties in August. As a result, it was again necessary to have recourse to further borrowing and an unsecured loan of Rs. 25 lakhs was procured in November for a period of approximately four months. This has been repaid but only with the help of another loan of a similar amount.

Arrangements are being made for raising further capital by means of a Debenture loan of Rs. 1 crore which will be offered to the public later in the year.

Note 7 on the Accounts regarding disallowance of tax relief in respect of rent, depreciation and development rebate relating to Angus Works was explained in the last year's report. The Appellate Assistant Commissioner of Income Tax who heard the Company's appeals gave his decision which was partly in favour of the Company and partly in favour of the department. He accepted the Income Tax Officer's view that the lease constituted a deferred purchase of the property and therefore no tax relief was admissible in respect of the annual rent, but he allowed the Company's claim for depreciation and development rebate on the new assets installed. This decision has for the present reduced the Company's tax liability considerably, but the matter is not yet final. Appeals against the Appellate Assistant Commissioner's judgement have been filed before the Appellate Tribunal both by the department and the Company.

As regards the outstanding claim of the Employees' State Insurance Corporation (Note 8 on the Accounts) the High Court's decision on the Corporation's appeal went against the Company. Leave to appeal to the Supreme Court on the point of law involved has since been granted, but the Company's prayer that, pending the Supreme Court's decision the High Court's order regarding payment of the Corporation dues be stayed, is still undecided.

### **MANAGEMENT**

The proposed appointment of Secretaries and Treasurers was not approved by Government and the whole management of the Company has remained with the Board since 1st July, 1965. It is now proposed, subject to approval of Government, to appoint a Managing Director and the Resolutions and explanatory statement in this connection are attached to these Accounts.

## **Braithwaite & Co (India) Limited**

### **DIRECTORS**

Sir Asoka K. Roy and Maharajadhiraja Sir Uday Chand Mahatab Bahadur of Burdwan, K.C.I.E., retire from the Board under Article 104 of the Company's Articles of Association and, being eligible, offer themselves for re-election.

### **AUDITORS**

The Company's Auditors, Messrs. A. F. Ferguson & Co., Chartered Accountants, retire from office and are willing to accept re-appointment.

On behalf of the Board of Directors

J. V. JARDINE PATERSON *Chairman*

CALCUTTA  
19th April, 1966

# Braithwaite & Co (India) Limited

## BALANCE SHEET

				31st December, 1964	
				Rs.	Rs.
<b>LIABILITIES</b>					
<b>Share Capital</b>					
<b>AUTHORISED</b>					
40,000	9% Redeemable Cumulative Preference Shares of Rs. 100 each	...	40,00,000	40,00,000	
10,00,000	Ordinary Shares of Rs. 10 each	...	1,00,00,000	<u>1,00,00,000</u>	<u>1,40,00,000</u>
<b>ISSUED AND SUBSCRIBED</b>					
40,000	9% Redeemable Cumulative Preference Shares of Rs. 100 each fully paid	...	40,00,000	40,00,000	
10,00,000	Ordinary Shares of Rs. 10 each fully paid	...	<u>1,00,00,000</u>	<u>1,00,00,000</u>	<u>1,40,00,000</u>
<b>Reserves and Surplus</b>					
	As per Schedule 'A'	...		2,01,25,096	1,56,71,788
<b>Loans</b>					
	As per Schedule 'B'	...		1,77,98,937	1,16,70,252
<b>Current Liabilities and Provisions</b>					
<b>CURRENT LIABILITIES</b>					
	Sundry Creditors	Rs. 2,53,98,862		1,97,11,682	
	Unclaimed Dividends	" 51,935		42,120	
	Interest accrued but not due on loans	" 1,28,783	2,55,79,580	<u>1,31,810</u>	
<b>PROVISIONS</b>					
	Provision for Taxation	...	43,16,470	60,06,977	
	Dividends declared or proposed :				
	On Preference Shares	...	1,80,000	1,80,000	
	On Ordinary Shares	...	<u>20,00,000</u>	<u>20,00,000</u>	<u>2,80,72,589</u>
	<b>TOTAL Rs.</b>	<b>...</b>		<u><u>8,40,00,083</u></u>	<u><u>6,94,14,629</u></u>

Notes on the Accounts are on pages 18 and 19

CALCUTTA, 19th April, 1966

As per our Report of date

A. F. FERGUSON & Co.,  
Chartered Accountants

AS AT 31ST DECEMBER, 1965

				31st December, 1964	
ASSETS		Rs.	Rs.	Rs.	Rs.
<b>Fixed Assets</b>					
As per Schedule 'C'	...		3,02,52,307		2,61,70,071
<b>Investments (at cost or under)</b>					
As per Schedule 'D'	...		9,66,252		9,64,649
<b>Current Assets, Loans and Advances</b>					
<b>CURRENT ASSETS</b>					
Interest accrued on Investments	...	4,009		3,538	
Raw Materials Stocks at cost or under	Rs. 80,94,993			64,33,264	
Stores and Spare Parts at cost or under	„ 70,49,972			54,28,024	
Erection Plant and Loose Tools at cost or under	„ 1,36,311			43,970	
Contracts-in-Progress at cost plus estimated net accrued profit, less cash received on account	„ 3,21,47,930	4,74,29,206		2,59,43,066	
<b>Sundry Debtors — Unsecured, considered good</b>					
Outstanding for over six months	Rs. 72,127			30,625	
Other Debts	„ 26,62,742	27,34,869		7,54,384	
<b>Cash and Bank Balances:</b>					
With Scheduled Banks on Current Accounts	Rs. 3,94,847			5,56,544	
Cash on hand	„ 53,695	4,48,542		39,660	
<b>LOANS AND ADVANCES — Unsecured, considered good</b>					
Advances recoverable in cash or in kind or for value to be received	Rs. 19,02,194			27,67,746	
Deposits with Customs and Port Authorities	„ 23,353	19,25,547	5,25,42,173	39,737	4,20,40,558
<b>Miscellaneous Expenditure</b>					
Preference Share Issue Expenses	...		2,39,351		2,39,351
<b>TOTAL Rs.</b>	<b>...</b>		<b>8,40,00,083</b>		<b>6,94,14,629</b>

On behalf of the Board of Directors

J. V. JARDINE PATERSON *Chairman*

D. FORDWOOD *Director*

A. SEN *Acting Secretary*

# Braithwaite & Co (India) Limited

## PROFIT AND LOSS ACCOUNT FOR THE

			31st December, 1964	
	Rs.	Rs.	Rs.	Rs.
Value of Contracts-in-Progress as at 1st January, 1965 ...		6,64,08,488		5,11,27,180
Purchases of Raw Materials ...		3,24,23,063		2,92,33,001
Purchases of Sundry Materials ...		2,21,07,149		2,22,48,486
Stores and Spare Parts Consumed ...	81,04,771		83,86,232	
Less : Value of Stores and Components manufactured and taken to stock ...	<u>32,73,878</u>	<u>48,30,893</u>	<u>17,32,540</u>	<u>66,53,692</u>
Salaries, Wages and Bonus, etc. ...				
Salaries, Wages and Bonus ...	1,94,70,479		1,68,41,506	
Contributions to Provident and Other Funds ...	11,94,261		10,17,582	
Workmen and Staff Welfare Expenses ...	15,26,761	2,21,91,501	12,05,459	1,90,64,547
Power and Fuel ...		7,50,516		7,67,269
Repairs to Plant ...		15,57,537		12,56,103
Repairs to Buildings ...		3,72,458		4,78,736
Rent ...		6,24,228		6,22,748
Rates and Taxes ...		1,95,602		1,04,337
Insurance (Including Rs. 60,592 for Emergency Risks) ...		5,06,172		3,36,400
Commission to ...				
Sole Selling Agents ...	22,506			47,080
Other Selling Agents ...	988	23,494		55,795
Expenses on Erection Contracts ...		3,27,086		2,63,275
Carriage and Cartage ...		8,67,199		7,65,598
Loss on Fixed Assets Sold or Scrapped ...		-		1,79,375
Interest ...				
On Fixed Loans ...	9,44,474		4,06,496	
Other Interest ...	1,94,548	11,39,022	1,48,106	5,54,602
Miscellaneous Expenses ...		21,46,060		17,42,571
Depreciation on ...				
Fixed Assets ...	25,98,408		19,87,264	
Investments ...	2,897	26,01,305	225	19,87,489
Development Rebate Reserve ...		9,75,085		4,70,732
Provision for Income-Tax (including Rs. 75,000 on account of dividend ; previous year Rs. 1,50,000) ...		78,10,000		77,86,290
Provision for Surtax ...		11,50,000		20,73,364
Balance being Profit carried down ...		<u>58,38,223</u>		<u>52,32,623</u>
TOTAL Rs. ...		<u>17,48,45,081</u>		<u>15,30,51,293</u>

## PROFIT AND LOSS

Provision for Surtax for the previous year ...		17,00,000
Loan Redemption Reserve ...	15,00,000	15,00,000
Dividend Equalisation Reserve ...	5,00,000	-
General Reserve ...	14,78,223	16,87,549
Dividend on Preference Shares subject to deduction of Tax ...	3,60,000	3,60,000
Proposed Dividend on Ordinary Shares @ Rs. 2.00 per share subject to deduction of Tax ...	20,00,000	20,00,000
TOTAL Rs. ...	<u>58,38,223</u>	<u>72,47,549</u>

Notes on the Accounts are on pages 18 and 19

As per our Report attached to the Balance Sheet

A. F. FERGUSON & Co.,  
Chartered Accountants

CALCUTTA, 19th April, 1966

**Braithwaite & Co (India) Limited**

**YEAR ENDED 31ST DECEMBER, 1965**

	R.s.	R.s.	<u>31st December, 1964</u>	
			R.s.	R.s.
Contracts Invoiced		7,67,26,860		8,49,80,787
Sundry Sales and Hire		13,30,587		12,56,486
Dividends and Interest on Investments				
Trade Investments	1,72,578		1,04,308	
Other Investments	<u>1,863</u>	1,74,441	<u>1,782</u>	1,06,090
Bank and Other Interest		1,658		30,183
Profit on Sale of Fixed Assets and Erection Plant		14,250		21,396
Miscellaneous Income (Including Rs. 47,355 unclaimed balances written back)		3,48,089		2,47,863
Value of Contracts-in-Progress as at 31st December, 1965		9 62,49,196		6,64,08,488
TOTAL R.s.		17,48,15,081		<u>15,30,51,293</u>

### APPROPRIATION ACCOUNT

Balance being Profit for the year brought down	58,38,223	52,32,623
Transferred from Development Rebate Reserve		3,14,926
Transferred from Reserve for Surtax		17,00,000
<b>TOTAL Rs.</b>	<b>58,38,223</b>	<b>72,47,549</b>

On behalf of the Board of Directors

J. V. JARDINE PATERSON *Chairman*  
D. FORDWOOD *Director*  
A. SEN *Acting Secretary*

## **Braithwaite & Co (India) Limited**

### *Notes on the Accounts for the year ended 31st December, 1965*

- 1 Out of the issued and subscribed capital :
  - (a) 5,61,972 Ordinary Shares of Rs. 10 (subsequently reduced to Rs. 7) each were allotted as fully paid up as consideration for the purchase from Braithwaite & Co. Engineers Limited. of its business in India.
  - (b) 16,97,937 Shares of Re. 1 each were issued as fully paid up Bonus Shares by Capitalisation of Reserves and consolidated with 5,65,979 Shares of Rs. 7 each.
  - (c) 4,34,021 Ordinary Shares of Rs. 10 each were allotted as fully paid up by way of Bonus Shares by Capitalisation of Reserves.
- 2 The Preference Shares are redeemable at par at the Company's option on or after 31st December, 1974 but in any event not later than 31st December, 1977.
- 3 No provision has been made for the estimated future liability (net of Income Tax) for retirement gratuities, etc. amounting to Rs. 12,00,000 as on 31st December, 1965.
- 4 Estimated commitments for capital expenditure for which no provision has been made amounted to Rs. 69,35,000 (previous year Rs. 1,13,00,670).
- 5 The estimated amount of 'set on' under the Payment of Bonus Act 1965 is Rs. 5,69,199.
- 6 A sum of Rs. 2,96,019 in respect of contracts-in-progress is due from Meameco Limited (a Company under the same management) and has been outstanding for over six months.
- 7 There is a contingent liability for taxation on the basis of demands raised for earlier years not admitted by the Company and for which no provision has been made Rs. 15,28,000 including Rs. 2,83,000 for the year (previous year total Rs. 41,75,286).
- 8 Other claims against the Company not acknowledged as debts and for which no provision has been made -- Rs. 7,70,000 (previous year Rs. 7,70,000).
- 9 Purchases of Raw Materials amounting to Rs. 77,60,095 for the current year (previous year Rs. 63,59,520) in respect of capital expenditure, repairs, etc. and adjustments for stocks on hand have not been included in purchases as the amount charged to the Profit and Loss Account represents issues from stock for manufacturing.
- 10 Stores and Spare Parts Consumed exclude a sum of Rs. 4,00,098 (previous year Rs. 4,61,028) — charged to Repairs to Plant Rs. 3,41,655 and Repairs to Buildings Rs. 58,443.
- 11 Salaries, Wages, Bonus, etc. exclude a sum of Rs. 8,32,382 (previous year Rs. 9,17,868) — charged to Repairs to Plant Rs. 8,01,303 and Repairs to Buildings Rs. 31,079.

## **Braithwaite & Co (India) Limited**

12 Total remuneration paid to the Chairman, Managing Director and other Directors amounted to Rs. 1,68,719 (previous year Rs. 2,26,015). This sum includes Rs. 82,500 (previous year Rs. 22,500) for retirement benefits and Rs. 7,719 (previous year Rs. 20,537) for other perquisites.

13 Miscellaneous expenses include :

(a) Auditors' remuneration for			(previous year)
Audit Fees	...	Rs. 27,500	Rs. 27,500
Other Services	...	Rs. 2,725	Rs. 2,900

and

(b) Donations to :

National Defence Fund	...	Rs. 1,00,000
Jawaharlal Nehru Memorial Fund		Rs. 45,000

14 Figures for the previous year have been rearranged where necessary.

# Braithwaite & Co (India) Limited

## SCHEDULE "A"

### Statement of Reserves and Surplus as at 31st December, 1965

	Rs.	Rs.	31st December, 1964	
			Rs.	Rs.
<b>Reserves and Surplus</b>				
<b>CAPITAL RESERVE</b>				
Revaluation of Fixed Assets ...		30,70,065		30,70,065
<b>LOAN REDEMPTION RESERVE</b>				
As at 1st January, 1965 ...	15,00,000			
Transferred from Profit and Loss Appropriation Account	15,00,000	30,00,000		15,00,000
<b>DEVELOPMENT REBATE RESERVE</b>				
As at 1st January, 1965 ...	23,54,418		21,98,612	
Added this year ...	9,75,085		4,70,732	
	33,29,503		26,69,344	
Less : Transferred to Profit and Loss Appropriation Account ...	—	33,29,503	3,14,926	23,54,418
<b>GENERAL RESERVE</b>				
As at 1st January, 1965 ...	87,47,305		70,59,756	
Added this year ...	14,78,223	1,02,25,528	16,87,549	87,47,305
<b>DIVIDEND EQUALISATION RESERVE</b>				
Transferred from Profit and Loss Appropriation Account		5,00,000		—
<b>RESERVE FOR SURTAX</b>				
As at 1st January, 1964 ...	—		17,00,000	
Less : Transferred to Profit and Loss Appropriation Account ...	—	—	17,00,000	—
<b>Rs. ...</b>		<b>2,01,25,096</b>		<b>1,56,71,788</b>

On behalf of the Board of Directors

J. V. JARDINE PATERSON *Chairman*

D. FORDWOOD *Director*

A. SEN *Acting Secretary*

# Braithwaite & Co (India) Limited

## SCHEDULE " B "

*Loans as at 31st December, 1965*

		31st December, 1964	
		Rs.	Rs.
<b>Secured Loans</b>			
Commonwealth Development Finance Company Limited, London (Sterling Loan — £220,000) ...	29,38,435	20,03,478	
Industrial Credit and Investment Corporation of India Limited (Loan equivalent of U.S. \$493,404.62 repayable in foreign currencies) ...	23,62,911	19,52,416	39,55,894
Secured by a first charge on all the Company's property after a prior charge for bank borrowings, as below.			
<b>Loans and Advances from Bank</b>			
Medium Term Loans ...	75,00,000	50,00,000	
Overdraft ...	24,97,591	7,14,358	57,14,358
Secured by hypothecation of the Company's stocks of engi- neering goods, raw materials, stores, etc., Contracts in Pro- gress at Angus Works other than Clive Works Sub-Contracts, book debts, moneys receivable, claims, bills, securities, investments, rights and assets.			
<b>Total Secured Loans</b>		1,52,98,937	96,70,252
<b>Unsecured Loans</b>			
Fixed Deposit ...	—	—	20,00,000
Short Term Loan Guaranteed by Jardine Henderson, Limited		25,00,000	—
<b>Total Loans</b>	Rs. ...	1,77,98,937	1,16,70,252

On behalf of the Board of Directors

J. V. JARDINE PATERSON *Chairman*  
D. FORDWOOD *Director*  
A. SEN *Acting Secretary*

# Braithwaite & Co (India) Limited

## SCHEDULE "C"

### *Fixed Capital Expenditure as at 31st December, 1965*

	As per valuation on 31st December, 1955 and thereafter at cost	Additions during the year	Sales and Transfers	Depreciation written off since 31st December, 1955	Balance as at 31st December, 1965	Capital Work-in- Progress	Total as at 31st December, 1965	Total as at 31st December, 1964
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
LAND — Freehold ...	32,351	—	—	—	32,351	—	32,351	32,351
Leaschold ...	12,86,838	—	—	85,184	12,01,049	—	12,01,049	12,43,944
BUILDINGS ...	89,83,183	9,73,070	—	11,74,891	87,81,362	10,48,042	98,29,404	89,69,725
FIXED PLANT ...	1,73,11,555	63,11,537	3,923	66,87,041	1,69,32,128	6,62,097	1,75,94,225	1,43,60,321
FURNITURE AND FITTINGS ...	13,77,980	5,40,787	196	5,56,996	13,61,575	46	13,61,621	12,46,259
MOTOR VEHICLES ..	8,36,932	18,500	25,184	5,96,591	2,33,657	—	2,33,657	3,17,171
TOTAL RS. ...	2,98,28,839	78,43,894	40,303	91,61,308	2,85,42,122	17,10,185	3,02,52,307	2,61,70,071
PREVIOUS YEAR RS. ...	2,28,23,310	72,00,420	1,94,891	65,25,495	2,33,03,344	28,66,727	2,61,70,071	

On behalf of the Board of Directors

J. V. JARDINE PATERSON *Chairman*

D. FORDWOOD *Director*

A. SEN *Acting Secretary*

**SCHEDULE "D"**

*Investments as at 31st December, 1965*

				31st December, 1964			
				Rs.	Rs.	Rs.	Rs.
<b>Investments</b> (at cost or under)							
<b>IN GOVERNMENT SECURITIES</b>				...	54,081		56,778
<b>IN TRADE INVESTMENTS</b>							
(a) Equity Shares fully paid							
W. H. Targett & Co. Ltd.	200 Shares of Rs. 10 each	2,000				2,000	
Braithwaite Burn & Jessop Construction Co. Ltd.	22,720 Shares of Rs. 100 each	2,84,170				2,84,170	
Industrial Credit and Investment Corporation of India Ltd. (Purchased during the year, 50 Ordinary Shares of Rs. 100 each, Rs. 5,000)	150 Shares of Rs. 100 each	14,200				9,400	
Alipore Estates Ltd.	10,035 Shares of Rs. 10 each	1,400	3,01,770			1,400	2,96,970
(b) Debentures fully paid							
Alipore Estates Ltd.	Rs. 6,63,630 $\frac{1}{2}$ % Debenture Stock	5,80,400				5,80,400	
Royal Calcutta Golf Club (Redeemed during the year Rs. 500)	2, $\frac{1}{2}$ % Debentures of Rs. 500 each	1,000				1,500	
East India Clinic Ltd.	55, $\frac{1}{2}$ % Debentures of Rs. 100 each (Nominal Value)	1				1	
East India Clinic Ltd.	Rs. 27,000 5% Non-redeemable Debenture Stock	23,000				23,000	
Bengal Chamber of Commerce and Industry	6, $6\frac{1}{2}$ % Debentures, 1962 of Rs. 1,000 each	6,000	6,10,401			6,000	6,10,901
			9,66,252				9,64,649
	Quoted	...	57,780	(Market Value Rs. 58,250)		55,677	(Market Value Rs. 56,005)
	Unquoted	...	9,08,472			9,08,972	
		Rs.	9,66,252			Rs. 9,64,649	

On behalf of the Board of Directors

J. V. JARDINE PATERSON *Chairman*  
D. FORDWOOD *Director*  
A. SEN *Acting Secretary*

## **Braithwaite & Co (India) Limited**

### **REPORT OF THE AUDITORS TO THE SHAREHOLDERS**

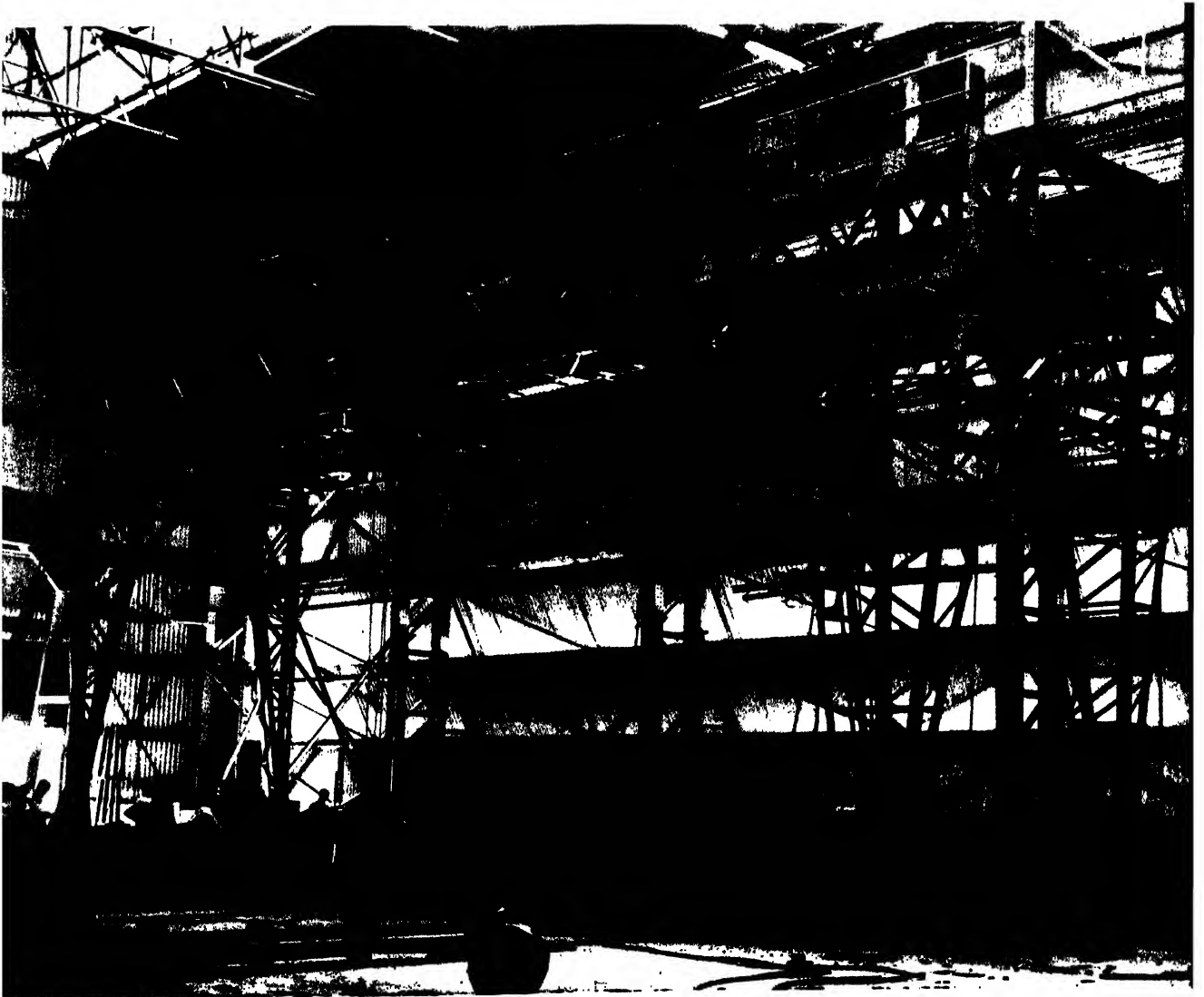
We have audited the attached Balance Sheet of Braithwaite & Co (India) Limited, as at 31st December, 1965 and the annexed Profit and Loss Account of the Company for the year ended on that date.

- 1 We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit ;
- 2 in our opinion proper books of account as required by law have been kept by the Company, so far as appears from our examination of the books ;
- 3 the Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account ;
- 4 in our opinion and to the best of our information and according to the explanations given to us, the Accounts, read with and subject to the notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view--
  - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st December, 1965
  - and
  - (b) in the case of the Profit and Loss Account, of the profit for the year ended on that date.

**CALCUTTA**  
**19th April, 1966**

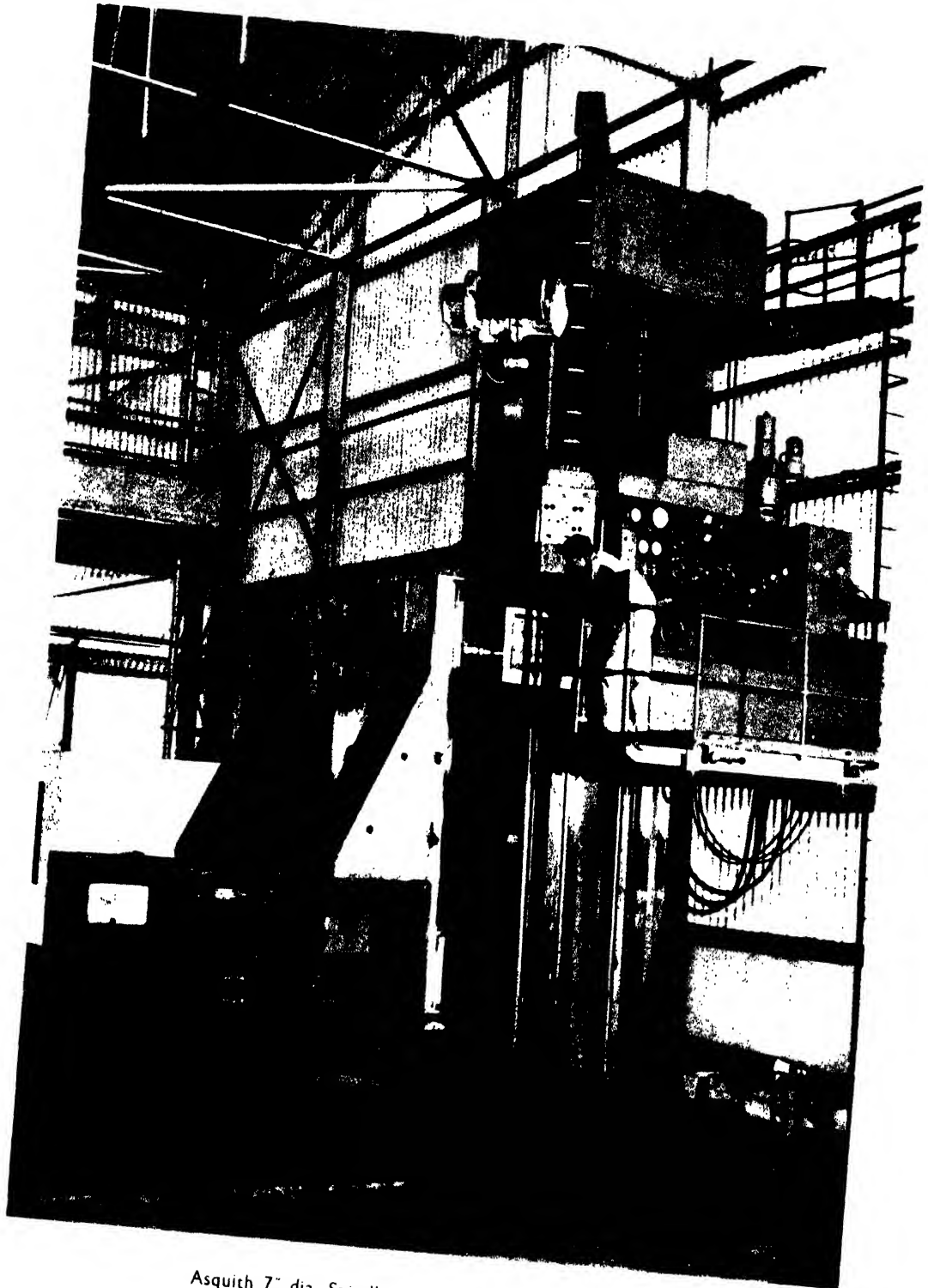
**A. F. FERGUSON & CO.,**  
*Chartered Accountants*

**Braithwaite & Co (India) Limited**

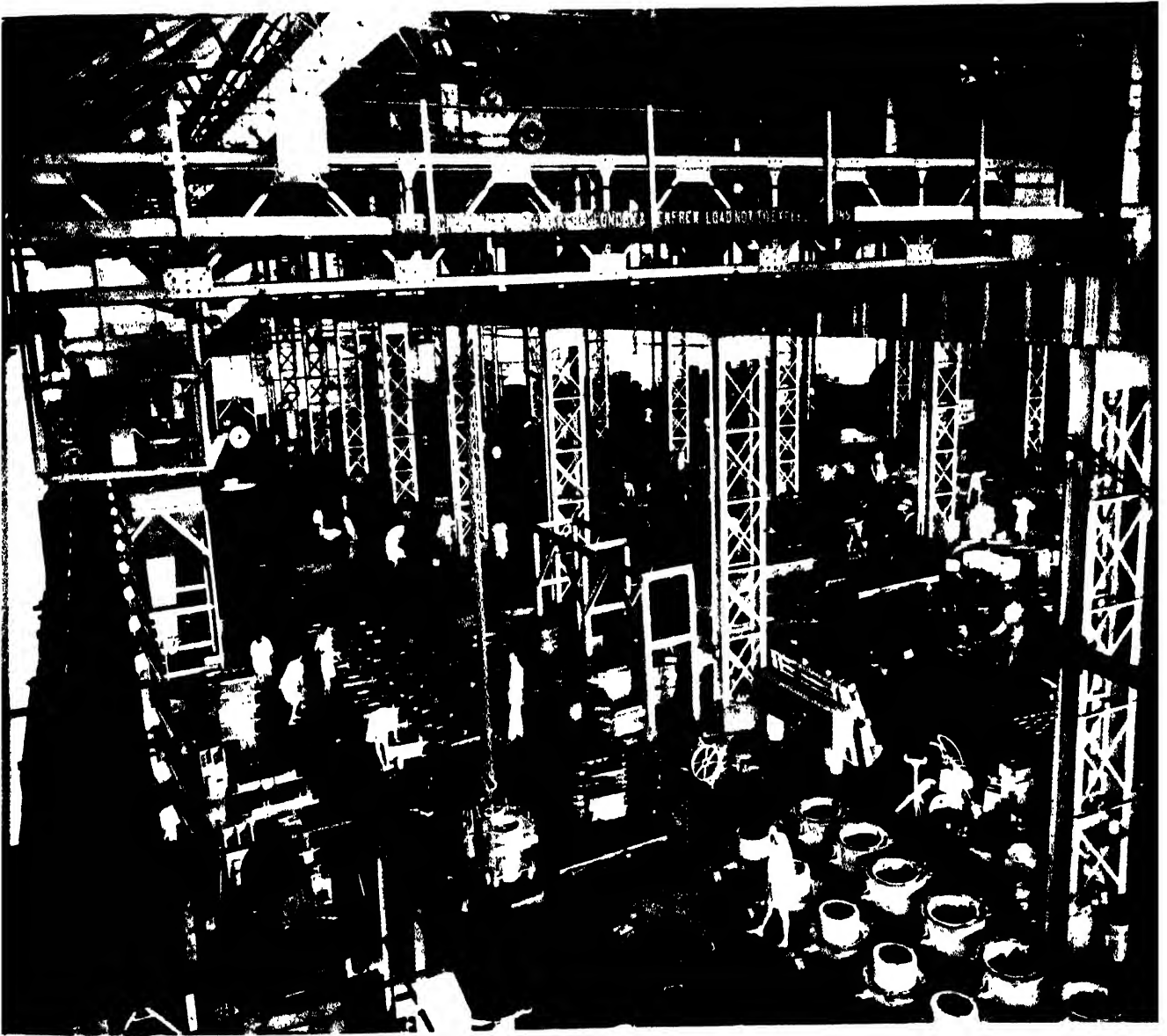


30.5 tonne Goliath Crane (23 metre span) for Hindustan Steel Ltd.

Braithwaite & Co (India) Limited



Asquith 7" dia. Spindle boring and milling machine



Foundry

